

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket Nos. D.T.E. 02-24 and D.T.E. 02-25  
Responses to the Department's First Set of Information Requests

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**Request No. DTE 1-12:**

Refer to Exh. FGE-Schedule MHC-7-21, lines 2, 5. Please explain in detail the reasons for the adjustments of \$54,294 and \$22,220, respectively. Provide the appropriate calculations use to arrive at these adjustments.

**Response:**

Refer to Attachment DTE-1-12, Gas Division.

The test year included amortization of the capitalized cost of the customer information system for FG&E's Electric and Gas Divisions for only the months of November and December. The total capitalized cost was \$1,144,086, of which \$407,295 was allocated to the Gas Division based on the Electric/Gas allocation for Common Plant. Because only two months of amortization had been recorded in the test year (\$12,654), the adjustment of \$54,294 was necessary to reflect amortization for a full year in cost of service.

The test year included amortization of the capitalized cost related to the LERS Logica system for only the months of November and December. The total capitalized cost was \$374,510, of which \$133,326 was allocated to the Gas Division based on the Electric/Gas allocation for Common Plant. Because only two months of amortization had been recorded in the test year (\$4,444), the adjustment of \$22,220 was necessary to reflect amortization for a full year in cost of service. In the course of preparing this response, it was determined that the capitalized cost and related amortization expense had been allocated in error to the Gas Division. The system relates entirely to Electric Division operations. LERS Logica is a system that estimates electric customers' hourly consumption on a daily basis where actual data is unavailable and assists the company in supply planning to satisfy demand requirements. Accordingly, the rate base and amortization expense of the Gas Division will be reduced and those of the Electric Division will be increased by equal amounts.

**Person Responsible:** Mark H. Collin